GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1059
ANSWERED ON:22.07.2016
Domestic Savings
Patil Shri Kapil Moreshwar

Will the Minister of FINANCE be pleased to state:

(a) whether any annual target has been fixed with regard to domestic savings and if so, the details thereof;

(b) the rate of increase in domestic savings vis-a-vis the increase in gross domestic product during each of the last three financial years; and
(c) the steps taken by the Government to encourage the domestic savings and to push the economic growth?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) : No specific annual target has been fixed by the Government for domestic savings.

(b): The latest year for which the Central Statistics Office (CSO) has brought out the figures of gross savings is 2014-15. The rate of growth in gross savings vis-a-vis the growth in gross domestic product from the year 2012-13 is given in the following table.

Growth rate in Gross Savings and Gross Domestic Product (Per cent)

	2012-13	2013-14	2014-15	2015-16 (PE)
Gross Savings at current prices	11.2	10.7	10.5	NA
GDP at constant(2011-12) market prices	5.6	6.6	7.2	7.6
GDP at current market prices	13.9	13.3	10.8	8.7

Source: Central Statistics Office.PE: Provisional Estimates,NA: Not Available

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(c): Savings are realized from three broad categories of savers, viz. households, private corporate sector and public sector. Various measures have been taken by the Government to improve household financial savings, which, inter alia, include: re-launch of the certificate savings scheme called Kisan Vikas Patra; Sukanya Samriddhi Yojana to contribute to the financial security to the girl child; and, Pradhan Mantri Jan-Dhan Yojana (PMJDY) which has been a landmark initiative of financial inclusion. The other initiatives like: increase in the limit of deduction under the Income Tax Act for health insurance premium, contribution to specific pension funds and contribution by the employees to National Pension Scheme; and, increasing the access to formal financial system by utilizing the postal network; also have the potential to
boost household savings. The Government has also taken steps to popularise the Small Savings Schemes by carrying out publicity on an all-India basis. Greater public saving is sought to be achieved through efforts at fiscal consolidation, including rationalization of subsidies and promotion of direct benefit transfer. The initiative to reduce corporate tax in a phased manner and various initiatives to encourage industry and enterprise are expected to improve corporate saving.

The Government of India has taken various initiatives to boost the growth of the economy which, inter alia, include; fillip to manufacturing and infrastructure through fiscal incentives and concrete measures for transport, power, and other urban and rural infrastructure; substantive reforms and liberalization of foreign direct investment in major sectors; measures to debottleneck the supply of key raw materials; Skill India and Digital India initiatives; "Make in India" initiative along with the attendant facilitatory measures for a more conducive environment for investment; the new insolvency and bankruptcy related legislation; Start-up India Initiative to boost entrepreneurship and creation of jobs; "Stand Up India Scheme" to promote entrepreneurship among SC/ST and women entrepreneurs; boost to agricultural sector with focus on micro irrigation, watershed development, soil conservation and credit; and, various measures to improve clarity and transparency in economic policy-making.

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